

Testimony before the Subcommittee on General Farm Commodities of the House Agriculture Committee
June 23, 2021

My name is Brian Talley and I am a third generation farmer and second generation winegrower located in the San Luis Obispo Coast region of California, Congressional District 24. I operate a diversified family farming operation that produces more than 20 different commodities, predominantly vegetables, citrus, avocados and wine.

I have participated in the Federal Crop Insurance program for more than 20 years for lemons, avocados and wine grapes at the Catastrophic level, which means that we must suffer a loss of at least half of our crop to file a claim. During our history in the program, we have experienced losses and had claims paid in all three of our insured commodities. Some of these losses have been associated with catastrophic events, like the historic freeze of 2007 that affected the entire state of California and resulted in significant frost damage and losses in my lemon orchard. More than half of my crop either fell on the ground or was sent to be juiced, with almost no return. Other times, these were more subtle events, such as in 2017 when El Niño conditions resulted in poor pollination and production of less than half my normal avocado crop in 2018. In each of these instances, I have been pleased with the service I've received to get my claims paid in a timely manner. I consider the role of independent crop insurance agents who provide the service in terms of collection of premiums and payment of claims to be one of the strengths of the crop insurance program, and I hope that this will always be the case.

Moving forward to more recent events, I'd like to talk about 2020 when much of the West Coast was impacted by devastating wild fires. I am blessed that the crops I grow were largely unaffected—we had no major wild fires in San Luis Obispo County, and though the smoke was nearly unbearable for days on end, we did not experience any smoke taint in our wines. Other winegrowers were not so fortunate and many will be faced with total loss of the 2020 vintage or a difficult choice between selling a damaged product with their name on it, selling off inventory in bulk at a loss, or simply dumping it down the drain. A leading expert in the California Wine Industry, Jon Moramarco, has estimated that losses will reach \$3.7 billion due to the wildfires of 2020, and that impacts will be felt into 2023. Everyone I talk to in the wine industry assumes that this will be an ongoing challenge. Scientists and consulting winemakers are extremely focused on establishing new protocols to treat smoke tainted wine. Having dealt with smoke tainted grapes in 2015 due to a local wildfire, and comparing notes with colleagues recently, I can assure you that the technology does not exist to truly fix smoke tainted wine.

On a somewhat related note, I would like to share with you that just a few weeks ago we learned that Nationwide Insurance, who handles the liability insurance for our companies, made the decision to exit the California market in many agricultural sectors. As I understand it, this decision was largely driven by losses due to wild fires over the past 3 years. I recognize that this is not within the purview of this committee, but wanted to make you aware of the challenges that farmers in California face, as we move forward. While I won't dwell on the issues associated with current drought conditions, I will tell you that lack of rainfall and insufficient groundwater are adding to these challenges.

In closing, I want to emphasize that I view the Federal Crop Insurance program to be a fundamental element of the safety net that secures the survival of domestic food production, a matter of critical national importance for all Americans. I hope that any changes contemplated to the Federal Crop Insurance Program only serve to strengthen it.

**Committee on Agriculture
U.S. House of Representatives
Information Required From Nongovernmental Witnesses**

House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

- 1. Name:** *Brian Talley*
- 2. Organization you represent:** *Talley Farms, Talley Vineyards*
- 3. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:** *I am a third generation farmer and have farmed fulltime in the San Luis Obispo Coast region since 1989.*
- 4. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:** *I am a graduate of UC Berkeley with degrees in Political Economy of Natural Resources and History. I am a graduate of the California Agricultural Leadership Program. I serve as a Bank Director for Farm Credit West and have received extensive training in leadership and corporate governance.*
- 5. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:** *I am the President and CEO of Talley Farms and Talley Vineyards. Though I am not representing any other organizations, I also serve as a Bank Director for Farm Credit West and as the appointed Director for the Zone 3 Advisory Committee which advises San Luis Obispo County on the operation of Lopez Lake Reservoir and the Arroyo Grande Creek.*

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: General Farm Commodities and Risk Management

Hearing Date: 06/23/2021

Hearing Title :

"A Hearing to Review the Efficacy of the Farm Safety Net"

Witness Name: Brian Talley

Position/Title: President/CEO Talley Farms, Talley Vineyards

Witness Type: Governmental Non-governmental

Are you representing yourself or an organization? Self Organization

If you are representing an organization, please list what entity or entities you are representing:

Talley Farms, Talley Vineyards

FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

President, CEO Talley Farms and Talley Vineyards
Bank Director, Farm Credit West

Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.

A crop insurance payment totaling \$42,911 from Rain and Hail Insurance in 2018 for a claim filed for losses in avocados.
Paycheck Protection Program Funds totaling \$1,653,835 for Talley Farms and \$559,442 for Talley Vineyards for Coronavirus Pandemic relief.

Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.

NA.

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

- I have attached a written statement of proposed testimony.
- I have attached my curriculum vitae or biography.

* Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(iii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.